



SMALL BANK

Comptroller of the Currency
Administrator of National Banks

PUBLIC DISCLOSURE

December 1, 2003

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**The Commercial National Bank of Ainsworth
Charter Number 13139**

**200 North Main Street
Ainsworth, Nebraska 69210**

**Office of the Comptroller of the Currency
Omaha South Field Office
13710 FNB Parkway, Suite 110
Omaha, Nebraska 68154**

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

INSTITUTION'S CRA RATING

This institution is rated Satisfactory.

- The Commercial National Bank of Ainsworth (CNB) has a satisfactory record of lending to farms of different sizes.

The distribution of agricultural borrowers reflects reasonable penetration among farms of different sizes. Demographic data from the U.S. Census Bureau's 1997 Census of Agriculture reveals that most of the farms in the bank's Assessment Area (AA) are small, with revenues of less than \$250 thousand. Based on 20 borrowers sampled, the bank does a reasonable job of lending to these small farms, and the bank's distribution of loans to farms with different revenues was comparable to demographic information on farms located in the AA.

- CNB has a good record of lending to geographies of different incomes.

The bank does a good job of lending to agricultural borrowers in the moderate-income block numbering areas in the AA. For the 20 agricultural borrowers sampled, 80% of the number of loans and 74% of the dollar volume of loans were made to borrowers in moderate-income areas. Demographic information from the U.S. Census Bureau's 2002 Farm Business data shows that 69% of the farms in the bank's AA are located in the moderate-income Block Numbering Areas (BNAs). Because two of the three BNAs in the bank's designated AA are moderate-income, it is reasonable to expect the bank to make a large volume of loans to borrowers in these geographies.

- The bank originated the vast majority of its loans in the AA.

For agricultural loans sampled, the bank originated 90% by number and 97% by dollar amount within its AA.

- CNB's average loan-to-deposit ratio since the last examination was reasonable.

The loan-to-deposit ratio averaged 60% over the past 19 quarters and compared satisfactorily to the quarterly average of similarly situated banks in the AA. Competing banks' ratios ranged from 53% to 87%.

- The bank did not receive any complaints about its performance in helping to meet AA credit needs during the evaluation period.
- We found no evidence of illegal discrimination or other illegal credit practices.

DESCRIPTION OF INSTITUTION

CNB is a \$61MM institution located in north central Nebraska. The bank's primary loan product by both number and dollar amount is agricultural loans. CNB has its main office and one cash dispensing machine in Ainsworth, Nebraska and a branch located in Springview, Nebraska. CNB received a "Satisfactory" rating at the last Community Reinvestment Act (CRA) examination, dated November 30, 1998. There are no legal or financial factors that impede the bank's ability to help meet the credit needs of the AA. Examiners contacted one community member during this CRA examination and reviewed one other community contact recently conducted in CNB's AA. Discussions with an economic development organization and a community leader revealed that agricultural credit and small business loans are the primary credit needs in the community. Refer to the bank's CRA Public File for more information.

DESCRIPTION OF ASSESSMENT AREA

The bank's AA encompassed all of Brown, Rock, and Keya Paha counties in Nebraska. The bank's AA meets the requirements of the regulation and does not arbitrarily exclude any low- and moderate-income areas. It is composed of two moderate-income BNAs and one middle-income BNA. Refer to the bank's CRA Public File for more information.